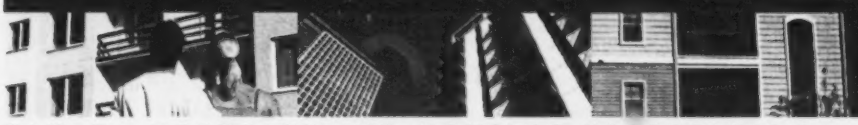
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

New Brunswick Highlights*



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2011

Figure 1

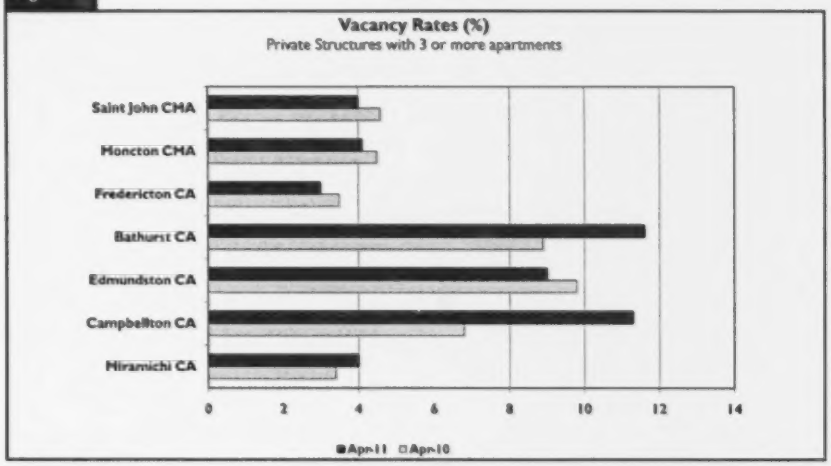
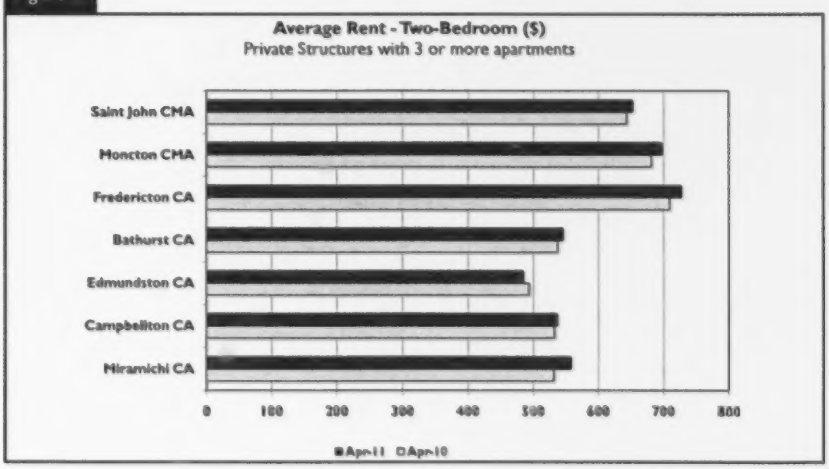


Figure 2



Overall Vacancy Rate Inches Lower in New Brunswick

- The overall vacancy rate in New Brunswick's urban centres was 4.5 per cent in April 2011.
- Average rent in the province's urban centres was $645 per month this spring, up from $631 in April 2010.
- The vacancy rate declined 0.5 percentage points in Fredericton to 3.0 per cent. In Moncton it remained relatively stable at 4.1 per cent, while in Saint John it declined 0.6 percentage points to 4.0 per cent.
- In the smaller urban centres, the vacancy rate varied between a low of 4.0 per cent in Miramichi to a high of 11.6 per cent in Bathurst.

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Overview

According to the CMHC Spring Rental Market Survey conducted in April 2011, the overall vacancy rate[1] declined in New Brunswick's seven urban centres[2] compared to the level recorded last spring.

In the spring of 2011, the vacancy rate in Fredericton was down 0.5 percentage points to 3.0 per cent, the lowest vacancy rate in the province. Fredericton is one of only two urban centres in the province that has benefitted from significant in-migration in recent years. The resulting population increase has bolstered the local rental market, as recent immigrants tend to rent first before moving to homeownership. Apartment starts in the provincial capital region were above the ten year average during the last two years, as the local rental universe expanded to meet demand. The increase in the supply of apartment units stemming from last year's construction season was not sufficient to meet local demand, leading to the decline in the local vacancy rate.

In Greater Moncton, the vacancy rate remained relatively stable at 4.0 per cent in the spring of 2011, due to largely offsetting supply and demand factors. Last year, apartment starts were well above the ten year average. Over 40 per cent of apartment starts occurred during the fourth quarter of the year. As a result, a significant number of units started last year were still under construction and not available for rent at time of survey. Consequently, the year-to-date increase in the supply of new units available to local consumers has not been as extensive as last year's large number of apartment starts might suggest. Offsetting the impact of new supply was the increased demand for rental accommodation.

In Saint John, the vacancy rate decreased 0.6 percentage points to 4.0 per cent. The number of apartment starts in Saint John increased for the fifth consecutive year in 2010. A significant number of last year's starts consisted of units built under the existing Canada-New Brunswick Affordable Housing Initiative. The expansion of the local privately initiated rental market universe has proceeded at a slower pace than what has been observed in either Fredericton or Moncton. Modest population growth coupled with a more limited increase in supply led to the decline in the local vacancy rate.

Vacancy Rate – Small Urban Centres

In the spring of 2011, the vacancy rate increased in most of New Brunswick's smaller urban centres. The only exception was Edmundston, where the vacancy rate remained relatively stable at 9.0 per cent. Despite the relative stability, the vacancy rate in Edmundston was nonetheless significantly higher than the provincial average. The vacancy rate was comparable in both Bathurst and Campbellton at 11.6 and 11.3 per cent, respectively. Both centres recorded significant year-over-year increases, culminating in the highest vacancy rates in the province.

The vacancy rate in Miramichi, rose 0.6 percentage points from the rate observed last spring. In spite of the increase, the vacancy rate in Miramichi remained one of the lowest in the province at 4.0 per cent. With the exception of Miramichi, a declining population in each of New Brunswick's small CAs and the corresponding decline in demand for rental units have resulted in a vacancy rate that is much higher than the provincial average in each of these centres.

Average Rents – New Brunswick Urban Centres

Fredericton and Moncton were the only two urban centres in the province where the average rent exceeded the overall provincial average of $645. With positive net-migration in both centres contributing to solid demand for newer rental units, the average rents in these centres were the highest in the province at $726 and $667, respectively. In Saint John, relatively weak demand for rental units has limited upward pressure on local rents. As a result, the average rent in Saint John, in addition to being the lowest among the three large provincial urban centres, was below the provincial average at $626. The average rent in the smaller urban centres varied between $463 and $532 as out-migration and weak demand led to moderate rent increases.

Overall, average rents based on structures common to both the 2010 and 2011 April surveys[3] in all of New

[1] Based on privately-initiated rental apartments structures of three or more units.

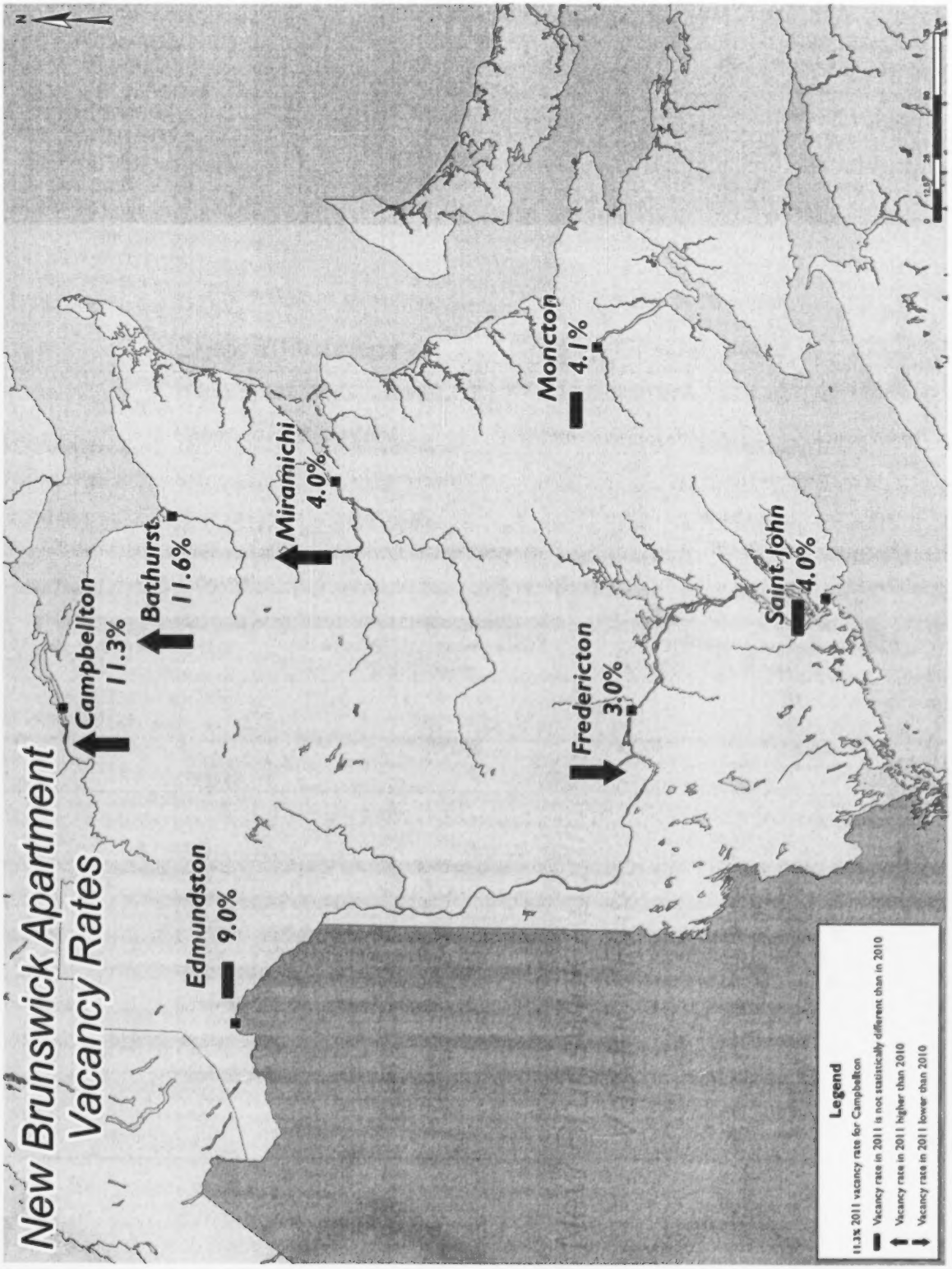
[2] Urban centres are defined as centres with a population of over 10,000. Census metropolitan areas (CMA) are based on Statistics Canada definition.

[3] When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2010 and 2011 Spring rental market surveys, we can get a better indication of actual rent increases paid by most tenants.

Brunswick's urban centres posted a 2.3 per cent increase in 2011. The average rent increases varied from a low of 1.1 per cent in Bathurst to a high of 2.7 per cent in Fredericton. The increase in overall average rents for the popular two-bedroom units was 2.3 per cent.

Availability Rates

The availability rate in the province was down to 5.2 per cent in April 2011 compared to 6.0 per cent during the same period last year. Among the province's three large urban centres, Fredericton posted the lowest availability rate at 3.3 per cent. The availability rate in Moncton was equal to the provincial average at 5.1 per cent. In Saint John, the availability rate stood at 4.3 per cent. In the smaller urban areas, the availability rate was mostly higher than the provincial average, varying between 10.3 and 12.0 per cent. The exception was in Miramichi, where the availability rate remained unchanged at 5.0 per cent, slightly below the provincial average.


New Brunswick Apartment Vacancy Rates
Campbellton 11.3%
Bathurst 11.6%
Miramichi 4.0%
Moncton 4.1%
Saint John 4.0%
Fredericton 3.0%
Edmundston 9.0%
Legend
11.3% 2011 vacancy rate for Campbellton
Vacancy rate in 2011 is not statistically different than in 2010
Vacancy rate in 2011 higher than 2010
Vacancy rate in 2011 lower than 2010

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
Moncton CMA	5.4 d	**	4.4 b	4.2 c	4.3 b	3.8 b	**	4.3 d	4.5 b	4.1 b
Saint John CMA	**	**	5.4 c	4.1 c	4.2 c	3.4 b	3.9 d	4.8 c	4.6 b	4.0 b
Bathurst CA	22.2 a	15.5 a	10.5 c	19.2 d	6.6 b	7.2 b	1.7 c	3.7 d	8.9 a	11.6 c
Campbellton CA	**	29.6 a	9.3 b	13.7 a	4.3 b	8.0 a	3.0 c	7.9 b	6.8 a	11.3 a
Edmundston CA	11.5 d	**	11.5 c	11.8 d	8.5 b	6.7 c	8.4 c	**	9.8 b	9.0 b
Fredericton CA	5.1 d	4.9 d	3.2 c	3.0 a	3.2 b	2.7 a	5.0 c	4.0 c	3.5 b	3.0 a
Miramichi CA	14.9 a	4.7 d	0.5 a	4.0 b	4.3 a	3.6 a	0.0 a	9.8 a	3.4 a	4.0 a
New Brunswick 10,000+	**8.5 b**	**9.2 b**	**5.3 a**	**5.5 b**	**4.2 a**	**3.8 a**	**4.6 b**	**4.6 b**	**4.7 a**	**4.5 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
Moncton CMA	453 a	465 a	574 a	583 a	682 a	697 a	779 a	781 a	652 a	667 a
Saint John CMA	445 a	477 b	553 a	559 a	644 a	653 a	690 a	690 a	616 a	626 a
Bathurst CA	360 a	361 a	426 a	448 a	538 a	546 a	536 a	535 a	490 a	494 a
Campbellton CA	384 c	408 a	415 a	432 a	533 a	537 a	636 a	647 a	494 a	496 a
Edmundston CA	357 a	339 a	428 a	447 a	494 a	485 a	566 a	502 a	467 a	463 a
Fredericton CA	535 b	549 a	603 a	620 a	710 a	728 a	928 a	993 a	704 a	726 a
Miramichi CA	309 a	332 b	473 b	474 a	532 a	558 a	528 a	616 b	512 a	532 a
New Brunswick 10,000+	**453 a**	**467 a**	**550 a**	**559 a**	**659 a**	**672 a**	**762 a**	**790 a**	**631 a**	**645 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2011 by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Moncton CMA	**	271	102 c	2,435	265 b	6,894	16 d	384	406 b	9,984
Saint John CMA	**	339	97 c	2,351	163 b	4,756	54 c	1,132	340 b	8,578
Bathurst CA	20 a	129	77 d	402	43 b	603	4 d	109	144 c	1,243
Campbellton CA	13 a	44	43 a	318	32 a	405	5 b	64	94 a	831
Edmundston CA	**	75	55 d	468	43 c	650	**	72	114 b	1,265
Fredericton CA	16 d	332	49 a	1,651	115 a	4,254	33 c	824	213 a	7,062
Miramichi CA	1 d	21	8 b	210	21 a	576	4 a	41	34 a	848
New Brunswick 10,000+	**112 b**	**1,213**	**432 b**	**7,835**	**682 a**	**18,137**	**120 b**	**2,626**	**1,346 a**	**29,811**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11	Apr-10	Apr-11
Moncton CMA	**	**	6.2 b	5.0 b	6.3 b	5.0 b	**	4.3 d	6.4 a	5.1 b
Saint John CMA	**	**	6.1 b	4.8 c	4.5 b	3.7 b	3.9 d	5.1 c	5.0 b	4.3 b
Bathurst CA	22.2 a	15.5 a	11.2 a	19.4 d	6.8 b	7.8 b	3.4 d	3.7 d	9.3 a	12.0 c
Campbellton CA	**	29.6 a	11.1 c	14.6 a	4.8 b	8.2 a	3.0 c	7.9 b	7.7 a	11.8 a
Edmundston CA	11.5 d	**	11.9 c	12.3 d	9.3 b	7.9 c	10.9 d	**	10.5 a	10.3 c
Fredericton CA	7.4 c	5.2 d	5.0 c	3.2 b	4.6 b	3.1 b	**	4.2 c	5.3 b	3.3 a
Miramichi CA	14.9 a	**	2.0 a	4.4 b	6.1 a	4.3 a	0.0 a	14.6 a	5.0 a	5.0 a
New Brunswick 10,000+	**10.1 c**	**9.8 b**	**6.6 a**	**6.1 a**	**5.5 a**	**4.4 a**	**5.9 c**	**4.9 b**	**6.0 a**	**5.2 a**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
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n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type
New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11	Apr-09 to Apr-10	Apr-10 to Apr-11
Moncton CMA	++	3.5 b	2.8 c	2.3 a	2.0 c	2.3 a	++	2.1 c	2.4 b	2.4 a
Saint John CMA	4.4 c	2.1 c	3.3 d	2.1 c	3.3 c	2.8 b	2.8 c	3.3 d	3.2 c	2.3 b
Bathurst CA	7.0 b	++	2.0 b	++	0.9 a	1.1 a	**	++	1.5 b	1.1 a
Campbellton CA	**	++	**	3.3 a	1.8 c	1.3 a	**	++	3.2 d	1.9 b
Edmundston CA	**	++	4.6 d	++	3.8 d	++	++	++	4.1 d	++
Fredericton CA	5.2 d	++	2.7 c	2.1 c	1.8 c	2.2 b	++	**	1.4 a	2.7 b
Miramichi CA	++	**	3.6 c	++	2.4 b	2.9 b	0.3 a	**	2.0 b	3.3 c
New Brunswick 10,000+	**4.2 c**	**1.7 c**	**3.0 b**	**2.1 b**	**2.3 a**	**2.3 a**	**	**2.1 c**	**2.4 a**	**2.3 a**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

** Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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